
Inpay Holding ApS

Toldbodgade 55 B, 6., Copenhagen, DK-1253
Copenhagen K

Consolidated Financial Statements for 2020

CVR No 35 05 22 83

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
17/3 2021

Jacob Tackmann Thomsen
Chairman of the General
Meeting



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Management's Statement

The Executive Board has today considered and adopted the Annual Report of Inpay Holding ApS for the financial year 1 January - 31 December 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2020.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 17 March 2021

Executive Board

Jacob Tackmann Thomsen

Independent Auditor's Report

To the Shareholder of Inpay Holding ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Inpay Holding ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the

Independent Auditor's Report

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ringsted, 17 March 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Brian Petersen
statsautoriseret revisor
mne28701

Nikolaj Frausing Borch
statsautoriseret revisor
mne44062

Company Information

The Company

Inpay Holding ApS
Toldbodgade 55 B, 6.
Copenhagen
DK-1253

CVR No: 35 05 22 83
Financial period: 1 January - 31 December
Municipality of reg. office: Copenhagen

Board of Directors

Jacob Tackmann Thomsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Eventyrvej 16
DK-4100 Ringsted

Financial Highlights

Seen over a two-year period, the development of the Group is described by the following financial highlights:

	Group	
	2020 TDKK	2019 TDKK
Key figures		
Profit/loss		
Gross profit/loss	104.309	52.026
Profit/loss before financial income and expenses	37.006	15.173
Net financials	-3.379	-4.737
Net profit/loss for the year	28.248	8.020
Balance sheet		
Balance sheet total	400.389	244.499
Equity	47.645	19.397
Cash flows		
Cash flows from:		
- operating activities	155.073	65.091
- investing activities	-18.168	-4.528
including investment in property, plant and equipment	-1.559	-557
Change in cash and cash equivalents for the year	136.905	60.563
Number of employees	61	42
Ratios		
Return on assets	9,2%	6,2%
Solvency ratio	11,9%	7,9%
Return on equity	84,3%	52,1%

According to section 128(4) of the Danish Financial Statements Act, the group has omitted to disclose the financial highlights for the financial years 2016-2018.

Management's Review

Key activities

The object of the Group is to provide payment services through electronic money transfers as a financial undertaking in accordance with the Group's licence from the Danish Financial Supervisory Authority as a Payments Institution.

Development in the year

The income statement of the Group for 2020 shows a profit of TDKK 28.248, and at 31 December 2020 the balance sheet of the Group shows equity of TDKK 47.645.

Management find the result for the year satisfactory.

The past year and follow-up on development expectations from last year

The development in operating profit has been in line with the budget for the year.

Operating risks and financial risks

As a payment service provider, the Group is inherently exposed to several risks common to the financial services industry, including fraud, AML/CTF compliance risks and risks related to operational stability and security (IT). In addition, as the Group facilitates cross-border payments, counterparty, and FX risks are inherent in the business model.

A wide range of controls and procedures are implemented to mitigate these risks.

In 2020 the Group significantly strengthened its Governance, Risk & Compliance framework. In Q1 2020 the Group launched a comprehensive 18 months project to improve and strengthen its GRC (Governance, Risk and Compliance) setup and AML/CTF/KYC functions.

The project was carried out with the assistance of external well-renowned compliance consultants and in parallel relevant functions has increased the number of full-time employees.

The result has been a further formalization of Policies, Processes, Risks & Controls, Procedures and work instructions for all functions, as well as additional staff in the Risk & Compliance function to ensure that the Group has adequate resources to closely monitor and mitigate risks. Furthermore, the company has moved to a traditional Three Lines Of Defence operating model in accordance with best practices. The project has been progressing as planned and is expected to be fully concluded by Q2 2021. The Company is planning further strengthening of its GRC setup after the completion of the project.

In October 2020 the Group was subject to the routine inspection by its regulatory body, the Danish FSA. The FSA inspection report has not finalized yet and the Group expect the FSA report to be published during 2021. The Group will closely evaluate any feedback from the FSA and resolutely take all appropriate corrective actions, if and where necessary.

Management's Review

Targets and expectations for the year ahead

The Group has launched numerous new business initiatives which will have a positive impact on both liquidity and the income statement for the financial year 2021. As a result of these initiatives, Management aims to continue the increase in revenue and operating profit for 2021, with a goal to grow by 25 to 50%.

Research and development

The Group is continuously developing its different lines of businesses with new products and solutions.

During the year, the Group commenced material development projects with a view to support the expanding activities of the Group within payment services as well as expanding the Eurogiro activities within transactions through the postal network. Considerable amounts has been invested in the development of a financial supermarket as a platform for financial services to post offices and postal organisations throughout the world.

The Group's development projects primarily relate to own developed IT systems and business models at the "in progress" and "completed" stages. The capitalised development costs are attributable to the development of new payment service software, hereunder supporting modules including internal control and compliance software.

External environment

As a highly digitalized organisation, The Group has a limited impact on its external environment in terms of sustainability. However, being a member of the global financial community, the Group fiduciary duty to fight financial crime. Financial crime has a destructive and devastating effect on the world community; therefore, the Group has made it a priority to contribute to the safeguarding of the global financial system. Accordingly, the Group will take all reasonable and appropriate measures to prevent persons engaged in money laundering, fraud, or other financial crime, including the financing of terrorists, or terrorist operations from utilizing the Group's products and services.

Intellectual capital resources

The continued success the Group, being a fintech organisation, relies heavily on internal intellectual resources. Primarily these are closely linked to highly skilled staff within especially the areas of IT development, compliance and regulatory areas. Proprietary and inhouse built operating systems play a key role in our product offering

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Management's Review

Unusual events

The financial position at 31 December 2020 of the Group and the results of the activities and cash flows of the Group for the financial year for 2020 have not been affected by any unusual events.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	Group		Parent Company	
		2020 TDKK	2019 TDKK	2020 TDKK	2019 TDKK
Gross profit/loss		104.309	52.026	-134	-22
Staff expenses	1	-62.606	-35.721	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-4.470	-1.132	0	0
Other operating expenses		<u>-227</u>	<u>0</u>	<u>0</u>	<u>0</u>
Profit/loss before financial income and expenses	3	37.006	15.173	-134	-22
Income from investments in subsidiaries		0	0	29.351	8.495
Financial income	4	448	0	1.155	1.138
Financial expenses	5	<u>-3.827</u>	<u>-4.737</u>	<u>-2.436</u>	<u>-1.725</u>
Profit/loss before tax		33.627	10.436	27.936	7.886
Tax on profit/loss for the year	6	<u>-5.379</u>	<u>-2.416</u>	<u>312</u>	<u>134</u>
Net profit/loss for the year		<u>28.248</u>	<u>8.020</u>	<u>28.248</u>	<u>8.020</u>

Balance Sheet 31 December

Assets

	Note	Group		Parent Company	
		2020 TDKK	2019 TDKK	2020 TDKK	2019 TDKK
Completed development projects		7.067	8.115	0	0
Development projects in progress		16.609	2.953	0	0
Intangible assets	7	23.676	11.068	0	0
Other fixtures and fittings, tools and equipment		556	528	0	0
Leasehold improvements		1.133	356	0	0
Property, plant and equipment	8	1.689	884	0	0
Investments in subsidiaries	9	0	0	98.980	42.286
Deposits	10	27	27	0	0
Fixed asset investments		27	27	98.980	42.286
Fixed assets		25.392	11.979	98.980	42.286
Trade receivables		2.222	835	0	0
Receivables from group enterprises		0	0	18.651	12.733
Other receivables		24.163	17.015	0	0
Deferred tax asset	14	0	1.243	91	144
Corporation tax		1.416	2.976	1.921	593
Prepayments	11	1.978	2.138	0	0
Receivables		29.779	24.207	20.663	13.470
Cash at bank and in hand	12	345.218	208.313	80	22
Currents assets		374.997	232.520	20.743	13.492
Assets		400.389	244.499	119.723	55.778

Balance Sheet 31 December

Liabilities and equity

	Note	Group		Parent Company	
		2020 TDKK	2019 TDKK	2020 TDKK	2019 TDKK
Share capital		4.000	4.000	4.000	4.000
Reserve for net revaluation under the equity method		0	0	54.198	0
Reserve for development costs		18.467	0	0	0
Retained earnings		25.178	15.397	-10.553	15.397
Equity		47.645	19.397	47.645	19.397
Provision for deferred tax	14	2.495	0	0	0
Provisions		2.495	0	0	0
Other payables		3.659	952	0	0
Long-term debt	15	3.659	952	0	0
Credit institutions		262	316	0	0
Prepayments received from customers		1.212	1.896	0	0
Trade payables		8.021	4.641	70	13
Funds payable and amounts due to customers		286.905	173.171	0	0
Payables to group enterprises		0	0	41.141	0
Payables to owners and Management		153	10.085	153	10.085
Other payables	15	50.037	34.041	30.714	26.283
Short-term debt		346.590	224.150	72.078	36.381
Debt		350.249	225.102	72.078	36.381
Liabilities and equity		400.389	244.499	119.723	55.778
Distribution of profit	13				
Contingent assets, liabilities and other financial obligations	18				
Related parties	19				
Accounting Policies	20				

Statement of Changes in Equity

Group

	Share capital	Reserve for net revaluation under the equity method	Reserve for development costs	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	4.000	0	8.633	7.694	20.327
Net effect of correction of material misstatements	0	0	0	-930	-930
Adjusted equity at 1 January	4.000	0	8.633	6.764	19.397
Development costs for the year	0	0	9.834	-9.834	0
Net profit/loss for the year	0	0	0	28.248	28.248
Equity at 31 December	4.000	0	18.467	25.178	47.645

Parent Company

Equity at 1 January	4.000	0	0	16.327	20.327
Net effect of correction of material misstatements	0	0	0	-930	-930
Adjusted equity at 1 January	4.000	0	0	15.397	19.397
Other equity movements	0	24.847	0	-24.847	0
Net profit/loss for the year	0	29.351	0	-1.103	28.248
Equity at 31 December	4.000	54.198	0	-10.553	47.645

Cash Flow Statement 1 January - 31 December

	Note	Group	
		2020 TDKK	2019 TDKK
Net profit/loss for the year		28.248	8.020
Adjustments	16	13.455	8.279
Change in working capital	17	116.826	53.679
Cash flows from operating activities before financial income and expenses		158.529	69.978
Financial income		447	0
Financial expenses		-3.820	-4.736
Cash flows from ordinary activities		155.156	65.242
Corporation tax paid		-83	-151
Cash flows from operating activities		155.073	65.091
Purchase of intangible assets		-16.609	-4.534
Purchase of property, plant and equipment		-1.559	-557
Sale of property, plant and equipment		0	38
Sale of fixed asset investments etc		0	525
Cash flows from investing activities		-18.168	-4.528
Change in cash and cash equivalents		136.905	60.563
Cash and cash equivalents at 1 January		208.313	147.750
Cash and cash equivalents at 31 December		345.218	208.313
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand *		345.218	208.313
Cash and cash equivalents at 31 December		345.218	208.313

*) See note 12 for more details regarding cash.

Notes to the Financial Statements

	Group		Parent Company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
1 Staff expenses				
Wages and salaries	60.693	34.226	0	0
Pensions	307	292	0	0
Other social security expenses	436	342	0	0
Other staff expenses	1.170	861	0	0
	62.606	35.721	0	0
Average number of employees	61	42	0	0

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

	Group		Parent Company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment				
Amortisation of intangible assets	1.884	785	0	0
Depreciation of property, plant and equipment	468	347	0	0
Impairment of intangible assets	2.118	0	0	0
	4.470	1.132	0	0

Notes to the Financial Statements

	Group		Parent Company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
3 Special items				
Write-downs of current assets, that exceed normal write-downs	26.811.353	0	0	0
	26.811.353	0	0	0

The Group has written down assets relating to bank accounts classified as frozen accounts, as Management has deemed the assets irrecoverable. Frozen accounts relate to transactions which are retained "pending compliance control" or from funds that have become inaccessible for other reasons, such as fx. financial or technical difficulties at third party providers. In such cases, the funds are "frozen" in Inpay's accounts.

The write-down is based on communication with the Group's legal advisors.

	Group		Parent Company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
4 Financial income				
Interest received from group enterprises	0	0	1.155	1.136
Other financial income	416	0	0	0
Exchange adjustments	32	0	0	0
Exchange gains	0	0	0	2
	448	0	1.155	1.138

5 Financial expenses				
Interest paid to group enterprises	0	0	855	0
Other financial expenses	1.907	2.021	1.570	1.725
Exchange adjustments, expenses	1.909	2.716	0	0
Exchange loss	11	0	11	0
	3.827	4.737	2.436	1.725

Notes to the Financial Statements

	Group		Parent Company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
6 Tax on profit/loss for the year				
Current tax for the year	146	-998	-360	-107
Deferred tax for the year	4.911	3.410	53	-27
Adjustment of tax concerning previous years	322	4	-5	0
	5.379	2.416	-312	-134

7 Intangible assets

Group

	Completed development projects	Development projects in progress
	TDKK	TDKK
Cost at 1 January	34.031	2.953
Additions for the year	0	16.609
Transfers for the year	835	-835
Cost at 31 December	34.866	18.727
Impairment losses and amortisation at 1 January	25.916	0
Impairment losses for the year	0	2.118
Amortisation for the year	1.883	0
Impairment losses and amortisation at 31 December	27.799	2.118
Carrying amount at 31 December	7.067	16.609

Amortised over

5 years

During the year, the Group commenced material development projects with a view to support the expanding activities of the Group within payment services as well as expanding the Eurogiro activities within transactions through the postal network. Considerable amounts has been invested in the development of a financial supermarket as a platform for financial services to post offices and postal organisations throughout the world.

The Group's development projects primarily relate to own developed IT systems and business models at the "in progress" and "completed" stages. The capitalised development costs are attributable to the development of new payment service software, hereunder supporting modules including internal control and compliance software.

Notes to the Financial Statements

8 Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	<u>TDKK</u>	<u>TDKK</u>
Cost at 1 January	995	356
Additions for the year	<u>368</u>	<u>1.191</u>
Cost at 31 December	<u>1.363</u>	<u>1.547</u>
Impairment losses and depreciation at 1 January	466	286
Depreciation for the year	<u>341</u>	<u>128</u>
Impairment losses and depreciation at 31 December	<u>807</u>	<u>414</u>
Carrying amount at 31 December	<u>556</u>	<u>1.133</u>

Notes to the Financial Statements

	Parent Company	
	2020	2019
	TDKK	TDKK
9 Investments in subsidiaries		
Cost at 1 January	44.782	44.743
Additions for the year	0	39
Disposals for the year	0	0
Cost at 31 December	<u>44.782</u>	<u>44.782</u>
Value adjustments at 1 January	-2.496	-27.039
Exchange adjustment	0	0
Net profit/loss for the year	29.351	9.425
Group contributions provided to subsidiaries	<u>27.343</u>	<u>15.118</u>
Value adjustments at 31 December	<u>54.198</u>	<u>-2.496</u>
Carrying amount at 31 December	<u>98.980</u>	<u>42.286</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Inpay A/S	Copenhagen	100%
Inpay Services ApS	Copenhagen	100%
Eurogiro A/S	Copenhagen	100%
Clouditorium ApS	Copenhagen	100%
Inpay Solutions ApS	Copenhagen	100%
PostalPay Technologies ApS	Copenhagen	100%
Eurogiro Asia Sdn. Bdn.	Kuala Lumpur	100%
	New South	
Inpay Australia PTY Ltd.	Wales	100%
Inpay Hong Kong Ltd.	Hong Kong	100%
Inpay Services UK Limited	London	100%

Notes to the Financial Statements

10 Other fixed asset investments

	<u>Group</u>
	<u>Deposits</u>
	TDKK
Cost at 1 January	<u>27</u>
Cost at 31 December	<u>27</u>
Carrying amount at 31 December	<u>27</u>

11 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

12 Cash at bank and in hand

The Group's total cash at bank and in hand amounts to DKK 345.218k (2019: DKK 208.313k). DKK 30.932k (2019: DKK 18.624k) of this amount are the Group's own bank deposits, and the remaining DKK 314.286k (2019: DKK 189.688k) relates to separate customer accounts with external banks and with third parties.

Customer accounts are separated from the Group's own funds by placement in escrow accounts with creditinstitutions.

13 Distribution of profit

	<u>Group</u>		<u>Parent Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	TDKK	TDKK	TDKK	TDKK
Reserve for net revaluation under the equity method	0	0	29.351	0
Retained earnings	<u>28.248</u>	<u>8.020</u>	<u>-1.103</u>	<u>8.020</u>
	<u>28.248</u>	<u>8.020</u>	<u>28.248</u>	<u>8.020</u>

Notes to the Financial Statements

	Group		Parent Company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
14 Provision for deferred tax				
Provision for deferred tax at 1 January	-2.416	-4.653	-144	-117
Amounts recognised in the income statement for the year	4.911	3.410	53	-27
Provision for deferred tax at 31 December	2.495	-1.243	-91	-144

The different between the provision for deferred tax at 1 January 2020 and 31 December 2019 in the above note, is due to a subsequent correction of the Group's tax returns, which have led to a reclassification between deferred tax and current tax. The reclassification amounts to TDKK -1.173.

15 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent Company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
Other payables				
Between 1 and 5 years	3.659	952	0	0
Long-term part	3.659	952	0	0
Other short-term payables	50.038	34.044	30.714	26.283
	53.697	34.996	30.714	26.283

Notes to the Financial Statements

	Group	
	2020	2019
	TDKK	TDKK
16 Cash flow statement - adjustments		
Financial income	-448	0
Financial expenses	3.827	4.737
Depreciation, amortisation and impairment losses, including losses and gains on sales	4.697	1.126
Tax on profit/loss for the year	5.379	2.416
	13.455	8.279
17 Cash flow statement - change in working capital		
Change in receivables	-8.375	940
Change in trade payables, etc	116.430	41.001
Change in other payables	8.771	11.738
	116.826	53.679

Notes to the Financial Statements

	Group		Parent Company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
18				
Contingent assets, liabilities and other financial obligations				
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	12.949	9.852	0	0
Between 1 and 5 years	6.614	5.258	0	0
	19.563	15.110	0	0

The Group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Inpay Holding ApS, which is the management company for joint taxation purposes. Moreover, the Group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Group's liability.

Other than that, there are no security and contingent liabilities at 31 December 2020.

19 Related parties

Basis

Controlling interest

Jakob Tackmann Thomsen

Owns 100 % of the shares

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Notes to the Financial Statements

20 Accounting Policies

The Annual Report of Inpay Holding ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

This is the first financial year where consolidated statements are presented. The accounting policies applied to the parent financial statements are consistent with those applied last year.

The Consolidated and Parent Company Financial Statements for 2020 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Inpay Holding ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between

Notes to the Financial Statements

20 Accounting Policies (continued)

the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

Revenues are recognised at the rate of completion of the paymentservices, which means that revenue equals the selling price of the service completed for the year, and when it is probable that the economic benefits, including payments, will flow to the Company.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Financial Statements

20 Accounting Policies (continued)

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Intangible assets

Development projects in progress are measured at cost. Development projects in progress are not amortised until they are completed and presented as completed development projects.

Completed development projects are measured at cost less accumulated amortisation. Completed development projects are amortised on a straightline basis over their useful lives, assessed at 3 - 5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5	years
Leasehold improvements	3-5	years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

Notes to the Financial Statements

20 Accounting Policies (continued)

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposit.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Notes to the Financial Statements

20 Accounting Policies (continued)

Funds payable and amounts due to customers and other debt

Funds payable and amounts due to customers primarily comprise transaction payables to the Company's customers (merchants) relating to normal transactions with those. The balance comprises normal purchases of goods and services on credit terms. These payables are measured at amortised cost usually corresponding to nominal value.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Notes to the Financial Statements

20 Accounting Policies (continued)

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$